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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/698,640	10/27/2000	Jeffrey S. Marks	IMS 06-05	4914
43785	7590	01/21/2009	EXAMINER	
JAS IP CONSULTING 309 2nd STREET SUITE 8 LOS ALTOS, CA 94022			MAGUIRE, LINDSAY M	
			ART UNIT	PAPER NUMBER
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

admin@jasipc.com

Office Action Summary	Application No. 09/698,640	Applicant(s) MARKS, JEFFREY S.	
	Examiner LINDSAY M. MAGUIRE	Art Unit 3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 14 November 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-4,8,9 and 27-29 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-4,8,9 and 27-29 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

This Non-Final office action is in response to the application filed on October 27, 2000, the amendments filed on March 19, 2004, the Request for Continued Examination filed on May 4, 2005, the amendments filed on February 24, 2006, the Request for Continued Examination filed on September 11, 2006, the amendments filed on June 15, 2007, the amendments filed on March 3, 2008, and the Request for Continued Examination filed on November 14, 2008.

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on November 14, 2008 has been entered.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-4, 8, 9, and 27-29 rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

A broad range or limitation together with a narrow range or limitation that falls within the broad range or limitation (in the same claim) is considered indefinite, since the resulting claim does not clearly set forth the metes and bounds of the patent protection desired. See MPEP § 2173.05(c). Note the explanation given by the Board of Patent Appeals and Interferences in *Ex parte Wu*, 10 USPQ2d 2031, 2033 (Bd. Pat. App. & Inter. 1989), as to where broad language is followed by "such as" and then narrow language. The Board stated that this can render a claim indefinite by raising a question or doubt as to whether the feature introduced by such language is (a) merely exemplary of the remainder of the claim, and therefore not required, or (b) a required feature of the claims. Note also, for example, the decisions of *Ex parte Steigewald*, 131 USPQ 74 (Bd. App. 1961); *Ex parte Hall*, 83 USPQ 38 (Bd. App. 1948); and *Ex parte Hasche*, 86 USPQ 481 (Bd. App. 1949). In the present instance, claims 1 and 27 recite the broad recitation "receiving, over said network, from each of said at least two merchants an offer to provide said product to said plurality of customers, each offer: is made collectively to said groped together customers", and the claim also recites "comparing said offers from said at least two merchants, and based on said comparison, selecting as a preferred offer one of said offers from said at least two merchants; notifying each said grouped together customer individually, over said network, of said preferred offer" which is the narrower statement of the range/limitation. Specifically, it is unclear as to why the customers are notified twice, when the first notification includes at least two offers. Appropriate correction is required.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-4, 8, 9, and 27-29 rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

A claimed process is eligible for patent protection under 35 U.S.C. § 101 if:

"(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. See Benson, 409 U.S. at 70 ('Transformation and reduction of an article 'to a different state or thing' is the clue to the patentability of a process claim that does not include particular machines. '); Diehr, 450 U.S. at 192 (holding that use of mathematical formula in process 'transforming or reducing an article to a different state or thing' constitutes patent-eligible subject matter); see also Flook, 437 U.S. at 589 n.9 ('An argument can be made [that the Supreme] Court has only recognized a process as within the statutory definition when it either was tied to a particular apparatus or operated to change materials to a 'different state or thing' '); Cochrane v. Deener, 94 U.S. 780, 788 (1876) ('A process is...an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing.').⁷ A claimed process involving a fundamental principle that uses a particular machine or apparatus would not pre-empt uses of the principle that do not also use the specified machine or apparatus in the manner claimed. And a claimed process that transforms a particular article to a specified different state or thing by applying a fundamental principle would not pre-empt the use of the principle to transform any other article, to transform the same article but in a manner not covered by the claim, or to do anything other than transform the specified article." (*In re Bilski*, 88 USPQ2d 1385, 1391 (Fed. Cir. 2008))

Claims 1-4, 8, 9, and 27-29 are not tied to a particular machine or apparatus nor do they transform a particular article into a different state or thing; therefore, claims 1-4, 8, 9, and 27-29 are non-statutory under § 101.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-3, 8, and 27-29 are rejected, inasmuch as the claims are best understood given the 35 USC 101 and 112 rejections (as advanced above), under 35 U.S.C. 103(a) as being unpatentable over U.S. Pat. No. 6,385,594 (Lebda et al. '594) in view of U.S. Pat. No. 5,940,812 (Tengel et al. '812), and in further view of U.S. Pat. No. 5,966,699 (Zandi '699)

Re Claim 1: Lebda et al. '594 discloses a computer-implemented method for an on-line auction of the type wherein a plurality of customers may receive an offer of a product supplied by one of at least two merchants, said product comprising a plurality of program terms (abstract), said method comprising the steps of: acquiring, over a network, customer information from each of said plurality of customers (abstract), and grouping each of said plurality of customers into one or more pools (abstract); providing to said at least two merchants data regarding said, grouped together

customers (abstract, column 3, lines 1-24), said data providing access to certain of each said customer's qualifications for participating in said offer, whereby said at least two merchants may independently evaluate the qualifications of each said customer for participating in said offer (column 4, line 25 - column 5, line 5); receiving, over said network, from each of said at least two merchants an offer to provide said product to said plurality of customers (column 6, lines 4-5), each said offer: is made collectively to said, grouped together customers; and provides to each said, grouped together customer an individual offer to participate (column 6, lines 4-5); and a mechanism to notify acceptance and providing notification to said merchant associated with said offer as to which of said ,grouped together customers have accepted said offer (column 6, lines 38-50).

Lebda et al. '594 disclose the method in supra with the exception of customer information including an explicit ranking from most important to said customer to least important to said customer of said Program Terms, the Program Term ranked as most important to said customer being defined as that customer's Preferred Program Term; automatically selecting one of said Program Terms, said customers, grouped together which have indicated as their Preferred Program Term said selected one of said Program Terms; comparing said offers from said at least two merchants, and based on said comparison, selecting as a Preferred Offer one of said offers from said at least two merchants; notifying each said ,grouped together customer individually, over said network, of said Preferred Offer. Tengel et al. '812 disclose customer ranking (column

9, lines 51-54), comparing offers from at least two merchants (abstract) and based on the comparison selecting a preferred offer (Figure 2A), notifying each of the customers individually over the network of said preferred offer (Figure 2B). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of Lebda et al. '594, in view of the teachings of Tengel et al. '812, to include a preferred offer and a ranking so as to save the borrower time.

Further, while Lebda et al. '594 does not disclose providing each said grouped together customer a finite period of time within which said Preferred Offer may be accepted, Zandi '699 does disclose that customers have a predetermined amount of time during which to accept a bid. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of Lebda et al. '594, in view of the teachings of Zandi '699, to include a finite amount of time to accept an offer, for the basic reason of allowing the loan company to maintain current offers according to current market conditions.

Re Claim 2: Lebda et al. '594/Tengel et al. '812/Zandi '699 disclose the method in supra, including that said grouping step includes further grouping of said customers via characteristic pooling, using characteristics specific to the customers in accordance with a Program Term associated with a said characteristics of said customers (Lebda et al. '594: column 3, lines 1-24; column 4, lines 20-32).

Re Claim 3: Lebda et al. '594/Tengel et al. '812/Zandi '699 disclose the method in supra, including that said grouping step includes further grouping of said customers via commitment pooling associated with the customers' level of commitment to accept the bid from one of said at least two merchants (Tengel et al. '812: column 6, lines 46-61).

Re Claim 8: Lebda et al. '594/Tengel et al. '812/Zandi '699 disclose the method in supra, including that said level of commitment is determined by a prior affirmative commitment by said customers to purchase said product in accordance with said preferred offer (Tengel et al. '812: column 6, lines 46-61).

Re Claim 27: Lebda et al. '594 disclose a computer-implemented method for an on-line auction of the type wherein a plurality of customers may receive an offer for a product supplied by one of at least two merchants, said product comprising a plurality of program terms, said method comprising the steps of: acquiring, over a network, customer information from each of said plurality of customers (abstract), grouping said plurality of customers into pools (abstract, column 3, lines 1-24); providing to said at least two merchants data regarding said grouped together customers (abstract), said data providing access to certain of each said customer's qualifications for participating in said offer, whereby said at least two merchants may independently evaluate the qualifications of each said customer for participating in said offer (column 4, line 25 – column 5, line 5); receiving, over said network, from each of said at least two merchants

an offer to provide said product to said plurality of customers (column 6, lines 4-5), is made collectively to said customers in said combined pool (column 6, lines 4-5); and provides to each of said customers in said combined pool an individual offer to participate (column 6, lines 4-5); a mechanism for indicating acceptance providing notification to said merchant associated with said offer as to which of said customers in said combined pool have accepted said offer in the provided period of time (column 6, lines 38-50).

Lebda et al. '594 disclose the method substantially as claimed with the exception of including said customer information including an explicit ranking from most important to said customer to least important to said customer of said Program Terms, the Program Term ranked as most important to said customer being defined as that customer's Preferred Program Term; automatically selecting a first one of said Program Terms and grouping together into a first pool those of said plurality of customers who have indicated as their Preferred Program Term said selected first one of said Program Terms; dividing said first one of said Program Terms into a number of First Program Term Bid Units; determining a unit value for each First Program Term Bid Units; automatically selecting a second one of said Program Terms and grouping together into a second pool those of said plurality of customers who have indicated as their Preferred Program Term said selected second one of said Program Terms; dividing said second one of said Program Terms into a number of Second Program Term Bid Units such that a determined unit value for each Second Program Term Bid Unit is the same as the unit

value for each First Program Term Bid Unit; forming a Term Ratio as the ratio of the number of First Program Term Bid Units to the number of Second Program Term Bid Units; combining said first and second pools into a combined pool; creating a Term Ratio Offer comprising said first one of said Program Terms and, using said Term Ratio to value said second one of said Program Terms as a function of a value of said first one of said Program Terms, alternatively said second one of said Program Terms; including at least said Term Ratio Offer, each said offer: comparing said offers, and based on said comparison, selecting as a Preferred Offer one of said offers from said at least two merchants; individually notifying each of said customers in said combined pool, over said network, of said Preferred Offer. Tengal et al. '812 disclose customer ranking (column 9, lines 51-54), comparing offers from at least two merchants (abstract) and based on the comparison selecting a preferred offer (Figure 2A), notifying each of the customers individually over the network of said preferred offer (Figure 2B); and term ratios (column 6, lines 46-61). Further, while Lebda et al. '594 does not disclose making two separate pools of qualifications and combining them, it would have been obvious to one of ordinary skill in the art that this would be equivalent to making one pool that has multiple separate requirements to join. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of Lebda et al. '594, in view of the teachings of Tengal et al. '812, to include a preferred offer and a ranking so as to save the borrower time.

Further, while Lebda et al. '594 does not disclose providing each said grouped together customer a finite period of time within which said Preferred Offer may be accepted, Zandi '699 does disclose that customers have a predetermined amount of time during which to accept a bid. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of Lebda et al. '594, in view of the teachings of Zandi '699, to include a finite amount of time to accept an offer, for the basic reason of allowing the loan company to maintain current offers according to current market conditions.

Re Claim 28: Lebda et al. '594/Tengel et al. '812/Zandi '699 disclose the method in supra, including that the steps of: determining an equating factor which equates the values of the First and Second Program Term Bid Units of a first of said merchants to the First and Second Program Term Bid Units of a second of said merchants, respectively, to thereby provide an Equating Ratio between the First and Second Program Term Bid Units of said first of said merchants to the First and Second Program Term Bid Units of said second of said merchants, respectively; and using said Equating Ratio to compare an offer of said product from said first of said at least two merchants to an offer of said product from said second of said at least two merchants (Tengel et al. '812: column 6, lines 46-61).

Re Claim 29: Lebda et al. '594/Tengel et al. '812/Zandi '699 disclose the method in supra, including that the steps of: determining a normalizing function for

normalizing the values of the First and Second Program Term Bid Units of a first of said merchants and the First and Second Program Term Bid Units of a second of said merchants, respectively; and converting offers from said first and second of said at least two merchants into normalized offers, respectively, using said normalizing function (Tengel et al. '812: column 6, lines 46-61).

Claims 4 and 9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lebda et al. '594/Tengel et al. '812/Zandi '699 as applied to claims 1-3, 8, and 27-29 above, and further in view of U.S. Pat. No. 6,260,024 (Shkedy '024).

Re Claim 4: Lebda et al. '594/Tengel et al. '812/Zandi '699 disclose the method in supra, with the exception of including that potential customers are grouped into ghost pools, and wherein said at least two merchants bid on said ghost pools to obtain the right to offer said product to a previously agreed upon number of said potential customers. Shkedy '024 discloses that potential customers are grouped together into ghost pools, and that at least two merchants bid on said ghost pools to obtain the right to offer said product to a previously agreed upon number of said potential customers (column 7, lines 26-42).

Re Claim 9: Lebda et al. '594/Tengel et al. '812/Zandi '699/Shkedy '024 disclose the method in supra with the exception of including that said ghost pool comprises all customers indicating an interest in participating in said offer during a particular time

frame. However, this step would have been obvious to anyone skilled in the art as part of the negotiated terms of the supply contract (column 7, lines 26-29), if no time frame were presented as part of this deal, the supply contract would essentially be a quasi-life contract and would stifle the process that the method seeks to establish. While the method mentions beating the "published" price of competitors, an even lower price could be established through the auction process. While a pre-arranged contract has its place, setting a limit in terms of time frame would be obvious as a means to encourage future price competition among vendors.

Response to Arguments

Applicant's arguments with respect to claims 1-4, 8, 9, and 27-29 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

Examiner has pointed out particular references contained in the prior arts of record in the body of this action for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the response, to consider fully the entire references as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior arts of disclosed by the examiner.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to LINDSAY M. MAGUIRE whose telephone number is (571)272-6039. The examiner can normally be reached on M-F: 7-4.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on (571) 272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Lindsay M. Maguire
1/14/09
/Lindsay M Maguire/
Examiner, Art Unit 3692

/Kambiz Abdi/
Supervisory Patent Examiner,
Art Unit 3692